Collateral: No collateral for projects costing upto Rs. 1 lakh.

Subsidy: @ 15%, Maximum of Rs. 15000/-.

Margin Money: From 5% to 12.5% of the project cost so as to make the subsidy and margin contribution at 20% of the project cost.

FICCI's recommendation on service tax

638. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:-

(a) whether it is a fact that FICCI has recommended empowerment of States to levy the service tax or sharing a service tax revenue between the Centre and States;

(b) if so, what are the details thereof;and

(c) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) The States have decided to replace their existing Sales Tax systems with a Value Added Tax system from 1st April, 2003. In this context and also to widen their tax base, the States have requested that they should be allowed to levy tax on services. The request of the States has also been supported by various trade and industry organizations, including the FICCI.

(c) Appropriate action has been initiated in this regard.

Brokers in Insurance Sector

639. SHRI PRASANTA CHATTERJEE: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware of the moves to induct brokers in the insurance industry;and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Insurance Brokers as "insurance intermediary" are already permitted under Insurance Regulatory and Development Act, 1999 (IRDA Act, 1999).